

Senate, March 19, 1998. The Committee on Planning and Development reported through SEN. COLEMAN, 2nd DIST., Chairman of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING DEFINITIONS IN CERTAIN MUNICIPAL GRANT PROGRAMS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. Subsection (a) of section 7-536 of
- 2 the general statutes, as amended by section 1 of
- 3 public act 97-244 and section 7 of public act 97-1
- 4 of the June 5 special session, is repealed and the
- 5 following is substituted in lieu thereof:
- 6 (a) As used in sections 7-535 to 7-538,
- 7 inclusive, AS AMENDED:
- 8 (1) "Adjusted equalized net grand list per
- 9 capita" means the adjusted equalized net grand
- 10 list per capita determined for each town pursuant
- 11 to section 10-261;
- 12 (2) "Density" means the population of a
- 13 municipality divided by the number of square miles
- 14 of the municipality;
- 15 (3) "Grant anticipation note" means a note
- 16 issued in anticipation of the receipt of project
- 17 grants to the municipality from moneys in the
- 18 Local Capital Improvement Fund;
- 19 (4) "Local capital improvement project" means
- 20 a municipal capital expenditure project for any of
- 21 the following purposes: (A) Road construction,
- 22 renovation, repair or resurfacing, (B) sidewalk

23 and pavement improvements, (C) construction,  
24 renovation, enlargement or repair of sewage  
25 treatment plants and sanitary or storm, water or  
26 sewer lines, including separation of lines, (D)  
27 public building construction other than schools,  
28 including renovation, repair, code compliance,  
29 energy conservation and fire safety projects, (E)  
30 construction, renovation, enlargement or repair of  
31 dams or bridges, (F) construction, renovation,  
32 enlargement or repair of water treatment or  
33 filtration plants and water mains, (G)  
34 construction, renovation or enlargement of solid  
35 waste facilities, (H) improvements to public  
36 parks, (I) the preparation and revision of local  
37 capital improvement plans projected for a period  
38 of not less than five years and so prepared as to  
39 show the general description, need and estimated  
40 cost of each individual capital improvement, (J)  
41 improvements to emergency communications systems,  
42 (K) public housing projects, including renovations  
43 and improvements and energy conservation and the  
44 development of additional housing, [or] (L)  
45 renovations to or construction of veterans'  
46 memorial monuments OR (M) IMPROVEMENTS TO  
47 TELECOMMUNICATIONS OR INFORMATION TECHNOLOGY  
48 SYSTEMS, INCLUDING IMPROVEMENTS ASSOCIATED WITH  
49 YEAR 2000 COMPUTER CONVERSIONS. "Local capital  
50 improvement project" means only capital  
51 expenditures and includes repairs incident to  
52 reconstruction and renovation but does not include  
53 ordinary repairs and maintenance of an ongoing  
54 nature;

55 (5) "Municipality" means any town, city,  
56 borough, consolidated town and city or  
57 consolidated town and borough;

58 (6) "Population" means the number of people  
59 according to the most recent federal decennial  
60 census, except in intervening years between such  
61 censuses when it shall mean the number according  
62 to the most recent estimate of the Department of  
63 Public Health; and

64 (7) "Secretary" means the Secretary of the  
65 Office of Policy and Management.

66 Sec. 2. Section 7-545 of the general  
67 statutes, as amended by section 4 of public act  
68 97-274 and section 9 of public act 97-2 of the  
69 June 18 special session, is repealed and the  
70 following is substituted in lieu thereof:

71 (a) As used in this section and section  
72 7-546, AS AMENDED:

73 (1) "Secretary" means the Secretary of the  
74 Office of Policy and Management;

75 (2) "Municipality" means any town,  
76 consolidated town and city or consolidated town  
77 and borough;

78 (3) "Per capita income" and "population" for  
79 each town means that enumerated in the most recent  
80 federal decennial census of population or that  
81 enumerated in the current population report series  
82 issued by the United States Department of  
83 Commerce, Bureau of the Census, whichever is more  
84 recent and available on January first of the  
85 fiscal year three years prior to the fiscal year  
86 in which payment is to be made pursuant to this  
87 section;

88 (4) "Adjusted equalized net grand list per  
89 capita" means the most recent adjusted equalized  
90 net grand list per capita determined for each town  
91 pursuant to section 10-261, AS AMENDED;

92 (5) "Equalized mill rate" means the tax rate  
93 derived from the most recent available grand levy  
94 of a town divided by the equalized net grand list  
95 on which such levy is based as determined by the  
96 secretary in accordance with section 10-261a, AS  
97 AMENDED;

98 (6) ["Per capita temporary family  
99 assistance"] "PER CAPITA AID TO CHILDREN" means  
100 the number obtained by adding together the  
101 unduplicated aggregate number of children FIVE TO  
102 EIGHTEEN YEARS OF AGE eligible to receive benefits  
103 by town under the temporary [family] assistance TO  
104 NEEDY FAMILIES program in October and [May] MARCH  
105 of each fiscal year, and dividing by two, such  
106 number to be certified and submitted annually, no  
107 later than the first day of July of the succeeding  
108 fiscal year, to the secretary by the Commissioner  
109 of Social Services. Such number shall be expressed  
110 as a percentage of the population of a town;

111 (7) "Unemployment rate" means the average  
112 unemployment rate of a town as reported by the  
113 Labor Commissioner on the first day of July for  
114 the latest available twelve-month period;

115 (8) "Eligibility index" is a measure of local  
116 burden determined by calculating a town's  
117 disparity in relation to all [municipalities]  
118 TOWNS. Points shall be allocated for each of the

119 following factors: (A) Per capita income, (B)  
120 adjusted equalized net grand list per capita, (C)  
121 equalized mill rate, (D) per capita [temporary  
122 family assistance] AID TO CHILDREN, and (E)  
123 unemployment rate. For each factor the variance  
124 shall be the difference between the first  
125 percentile and the one-hundredth percentile town  
126 factors. In calculating the eligibility index for  
127 unemployment rate, per capita [temporary family  
128 assistance] AID TO CHILDREN and equalized mill  
129 rate, the factor for the first percentile town  
130 shall be subtracted from the factor for the town  
131 and the result divided by the variance and  
132 multiplied by one hundred. In calculating the  
133 eligibility index for per capita income and  
134 adjusted equalized net grand list per capita, the  
135 factor for the first percentile town shall be  
136 subtracted from the factor for the town and the  
137 result shall be divided by the variance and  
138 multiplied by one hundred. The product of such  
139 multiplication shall then be subtracted from one  
140 hundred. The index points for all factors shall be  
141 totalled by town resulting in the overall  
142 eligibility index. The eligibility index listing  
143 shall be ranked for all towns from highest to  
144 lowest points according to need;

145 (9) "Public investment communities" are  
146 municipalities requiring financial assistance to  
147 offset their service burdens with eligibility  
148 defined as one which is in the top quartile of the  
149 "eligibility index" scale;

150 (10) "Grand levy" means the mill rate of the  
151 town multiplied by the net taxable grand list of  
152 the town and includes the value of special service  
153 districts if such districts contain fifty per cent  
154 or more of the value of total taxable property  
155 within the town.

156 (b) On or before July 15, 1994, and annually  
157 thereafter, the secretary shall prepare the  
158 eligibility index for Connecticut municipalities.

159 PD COMMITTEE VOTE: YEA 19 NAY 0 JFS

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

\* \* \* \* \*

**FISCAL IMPACT STATEMENT - BILL NUMBER sSB 387**

STATE IMPACT                      None  
MUNICIPAL IMPACT                See Explanation Below  
STATE AGENCY(S)                Office of Policy and Management

**EXPLANATION OF ESTIMATES:**

Section 1 provides towns with more flexibility in the use of Local Capital Improvement (LOCIP) Fund money but has no net fiscal impact because it does not change the total amount of LOCIP funding each town receives.

During the 1997 Session, the Legislature authorized \$30 million in bond funds for LOCIP grants to towns in FY 1998-99. To the extent that making telecommunications and information technology eligible for LOCIP funding increases the use of these funds, then there would be a need for future bond authorizations.

Section 2 modifies one of the factors in the formula for designating public investment communities. The section is not expected to have a fiscal impact on municipalities because the Public Investment Community (PIC) Grant Program has not been funded by the Legislature since FY 1991-92. If the PIC Program receives funding, the formula modification is expected to have a minimal fiscal impact.

Other language changes made by the bill are technical and have no fiscal impact.

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**OLR BILL ANALYSIS**

SSB 387

**AN ACT CONCERNING DEFINITIONS IN CERTAIN MUNICIPAL GRANT PROGRAMS**

**SUMMARY:** This bill allows towns to use local capital improvement grants for telecommunications or information technology system improvements, including those associated with year 2000 computer conversions. Towns must apply to the Office of Policy and Management (OPM) for these grants, which under current law they can use to improve emergency communications systems, repair sidewalks, resurface roads, build treatment plants, or undertake similar capital improvements.

The bill changes one of the criteria OPM uses to designate public investment communities (PICs), which are economically distressed towns eligible for formula grants when the legislature appropriates funds for this purpose. It limits OPM's count of children receiving benefits under the Temporary Assistance to Needy Families Program to those between ages five and 18. Under current law, OPM must count all children receiving benefits from birth to age 18. The bill also changes the date for calculating the number of children from October and May to October and March and makes some conforming technical changes.

EFFECTIVE DATE: October 1, 1998

**BACKGROUND****Designating Public Investment Communities**

The law requires OPM to designate PICs annually based on a formula that generates an eligibility index. Five factors comprise the index: per capita income, adjusted equalized net grand list per capita, equalized mill rate, per capita temporary family assistance, and unemployment. The law specifies how OPM must calculate index points for each factor and total the results. OPM bases grant amounts on a town's eligibility index rating and its population relative to all other towns.

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute  
Yea 19      Nay 0